

# 2007 Annual Report

Submitted October 15, 2007



# Delaware

Economic Development Office

[dedo.delaware.gov](http://dedo.delaware.gov)

## Innovation@work.





## Our Mission

The mission of the Delaware Economic Development Office (DEDO) is to be responsible for attracting new investors and businesses to the State, for promoting the expansion of existing industry, for assisting small and minority-owned businesses, for promoting and developing tourism, and for creating new and improved employment opportunities for all citizens in Delaware.

When you meet the professionals at the Delaware Economic Development Office, you'll be impressed with their knowledge. Once you work with them, you will be equally impressed with their talent. You'll notice it in their work. Fresh. Thorough. Progressive. Sharp. The Delaware Economic Development Office is a dynamic organization. We have diverse, top-notch professionals with a variety of both public and private sector experience in finance, business development, site selection, marketing, information technology, entrepreneurship, market research, management, and consulting.

If you think you have what it takes to be a part of our team, we want to hear from you. We invite you to learn more about us by visiting our website at [dedo.delaware.gov](http://dedo.delaware.gov).

photo by Eric Crossan

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[dedo.delaware.gov](http://dedo.delaware.gov)

## From the Director

In FY 2007, Delaware's economy remained strong. Governor Ruth Ann Minner's New Economy Initiative continued to fuel Delaware's knowledge-based economy by supporting our existing companies in maintaining global competitiveness, driving the growth of new technology-based businesses, and providing valuable resources for small businesses to develop and grow in our state.

During FY07, Delaware continued its reputation as a national business and economic development leader.

2007 State New Economy Index, Kauffman Foundation/Information Technology & Innovation Foundation:

- o #7 – Overall transformation to a New Economy
- o #1 – Industry investment in R&D
- o #1 – High-wage traded service jobs
- o #2 – Globalization
- o #4 – Innovation capacity

2007 Development Report Card for the States, Corporation for Enterprise Development:

- o AAA ranking – Performance, business vitality, development capacity (one of only 2 states to achieve this ranking)
- o #1 – Initial public offerings
- o #3 – Private research and development

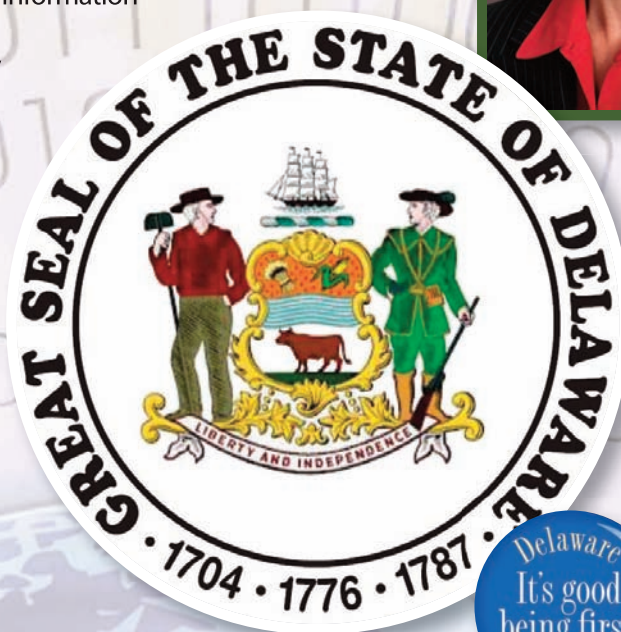
2007 Michigan Entrepreneurship Scorecard:

- o #1 – University spinout businesses
- o #3 – Entrepreneurial programs
- o #3 – Small business research innovation funding rate

These national rankings offer a glimpse into Delaware's competitive economic environment. The following pages provide a recap of some of the major economic development successes from FY07 and preview goals and new opportunities for FY08. In Delaware, we continue to develop breakthrough, innovative approaches to help our companies remain competitive, ensure our citizens maintain the lifestyle they enjoy, and generate real results for our future.



Judy McKinney-Cherry  
Director  
Delaware Economic  
Development Office



A handwritten signature in black ink that reads "Judy McKinney-Cherry".

Judy McKinney-Cherry  
Director  
Delaware Economic Development Office

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## DEDO's Industry Clusters:

### Automotive/Plastics Manufacturing

Since the announced launch of the Pontiac Solstice in 2004, vehicles produced at the General Motors Wilmington Boxwood Assembly Plant have been well received by the public. A third shift of production has been added at the assembly plant to meet consumer demand for the Pontiac Solstice, Saturn Sky, and for export, the Opel-GT Roadster. New turbocharged versions have been added - the Pontiac Solstice GXP and Saturn Sky Redline. A version of the Saturn Sky, the G2X, will be badged as a Daewoo, manufactured in Delaware and sold in Korea. DEDO is proactively engaged with General Motors to help ensure the retention and continued competitiveness of the Wilmington Boxwood Assembly Plant.

On February 14, DaimlerChrysler publicly announced that approximately 700 employees and one shift at the Newark Assembly Plant would be eliminated in 2007. Although it was announced that the assembly plant would be idled in late 2009, the State of Delaware is working to keep the assembly plant operational. Discussions between DEDO and Chrysler are ongoing relative to opportunities and challenges for the Newark Assembly Plant. The Newark Assembly Plant produces the Dodge Durango and Chrysler's first SUV brand vehicle, the Chrysler Aspen. Hybrid versions of both vehicles will be produced at the Newark Assembly Plant and available for sale in 2008.

Workers Compensation Reform was identified by the Delaware Automotive Cluster Alliance as a major impediment to Delaware's manufacturing industry. In 2007, Workers Compensation Reform legislation was passed and signed into law by Governor Ruth Ann Minner. The new law is estimated to reduce manufacturers' workers compensation costs by at least 20 percent.

Auto Cluster Alliance companies have benefited from networking and collaboration with other cluster businesses. Atlantis Industries, a small second generation family owned plastic injection molding business, achieved a significant milestone in its quality management system with the award of ISO/TS 16949:2002 Certification. The certification is the gold standard for automotive suppliers, which emphasizes continual improvement, defect prevention and reduction of variation and waste. Craig Technologies, a manufacturer of precision plastic balls used in a variety of products and applications such as automotive transmissions and washing machines, was able to retain a portion of its business in Delaware. One of the company's key suppliers closed its compression molding business in Ohio and moved to Mexico. Instead of letting Craig Technology's molds go to Mexico, the company took an innovative approach and brought the molding process in house. The new process will not only lower the company's costs, but will also improve the overall quality of their product.

The Auto Cluster process has resulted in a shared vision and new opportunities within the plastics industry. Plastics related companies are contributing financially to participate jointly in industry trade shows, identifying opportunities for collaboration, and achieving increasing industry certifications to become more competitive. DEDO identified the recruitment of plastics-related businesses as an opportunity to grow the Alliance.

### Biotechnology

A successful example of leveraging investments is DEDO's investments in the Fraunhofer Center for Molecular Biotechnologies (CMB) to help it earn additional grant funding. CMB recently received a \$3.5 million grant from the Bill & Melinda Gates Foundation. This is the third grant that CMB received from the Foundation, bringing a total of \$7.4 million additional investment into the state's economy.

Orphagenix, Inc. is another exciting start-up located in Delaware Technology Park (DTP). They have applied to present at the December 11, 2007 Early Stage East venture capital conference, which serves as a showplace for promising young companies to help them grow and succeed. DEDO is working closely with Early Stage East to plan the conference. DEDO has approved financial sponsorship for this conference. Successful presentations can earn up to \$2 million in venture capital from this event.

To maximize Delaware's visibility and recognition as a leader among the regional, national and international life science business community, DEDO provided seed funding for the Delaware BioScience Association (DBA). DEDO's Market Cluster Leader works with DBA in its recruitment and retention initiatives, within the constraints of confidentiality requirements of the prospective investors and/or companies. In May, 2007, DEDO leveraged its investment with DBA, Delaware Biotechnology Institute, DTP and several Delaware businesses to successfully showcase Delaware at the BIO International Conference in Boston.

The presence of firms such as these, as well as its highly capable research universities, have positioned Delaware as first in the nation for Industry Investment in Research and Development as well as high wage traded services. In addition, Delaware is ranked in the top 5 states in the nation for scientists and engineers, patents, gazelle jobs and foreign direct investment. Delaware ranked 7th in the State New Economy Index demonstrating positive momentum in the most recently released study, dated February 2007. DEDO provides a variety of technology resource programs and revolutionary business development systems to enhance commercialization that provide excellent opportunities for technology-based entrepreneurial ventures.

DEDO and our partners have enabled approximately 12,500 new jobs in life science in 23 new companies over the past few years. Over \$200 million has been invested and Delaware Technology Park companies and Delaware Biotechnology Institute have been awarded \$260 million in grants. In FY06, Delaware biotechnology and life sciences companies employed 17,774 and directly contributed over \$1.7 billion to Delaware's GDP.

The 2007 New Economy Index, Benchmarking Economic Transformation in the States, Ewing Marion Kaufman Foundation and the Information Technology & Innovation Foundation ([www.kauffman.org](http://www.kauffman.org))

## Chemistry and Advanced Materials

The Chemistry and Advanced Materials Cluster had a number of successes in FY 07.

West Coast-based Alliance Analytical opened a sales office in Delaware to deal in surplus lab equipment. DEDO is helping them locate excess equipment, as well as connect them to companies looking to fit-out labs, with the goal of eventually locating an east coast site in Delaware.

Rath Performance Fibers consolidated two small facilities at a new location in Newark. They continue to work with the DEMEP to improve process manufacturing.

SPI Pharma was successful at locating office space in New Castle County for their headquarters/front office group as well as obtaining coastal zone approval to allow transfer of manufacturing from their New Castle site should the current tolling situation change.

Sea Spray was shut down and their assets and debt were purchased by a Florida firm. DEDO met with the new owners of this Seaford facility and arranged a permitting roundtable and helped them evaluate and prioritize what needed to be completed in order to reopen this site. They decided to keep the facility in Seaford, upgrade equipment and waste handling, and rename it Advanced Aerosol Technologies, Inc.

Compact Membrane Systems received the 2007 Tibbetts Award as an outstanding Small Business. They are one of only 55 companies nationally to receive this award, and this is their third time to be recognized. The award is based on work and commercialization of their system for venting air from underground gasoline storage tanks and retaining the gasoline. Success in this area is, in part, due to support from the Delaware Economic Development Office.

We helped Thornley Group pursue an entrepreneurial venture to convert liquid air fresheners into solid concentrated gel by connecting them to space and people at the Delaware Technology Park.

We continue to work with Corn Products (the company that purchased the technology and customer assets of SPI

Polyols to help them stay in Delaware. There is a current need to show fiscal responsibility to their corporate group in Illinois while trying to find and move into a new site.

In June, Air Liquide held the inauguration and ribbon cutting event for their \$35 million Delaware Research and Technology Center. They continue to recruit worldwide to fill positions. The Air Liquide Industrial division also invested \$600,000 into their Delaware City site to add a production process.

Two Clean Energy Partnership matched grants were awarded to W. L. Gore in September for work on their fuel cell membranes.

Riverside Chemical continues to contract with IMS/Chemblend and has provided capital for an expansion. DEDO provided assistance in processing permit paperwork as well as making a connection at Valero to look into utilizing a waste stream product as a possible raw material.

Ametek Process Instruments, Arlon, Dow Reichhold, DuPont Facilities Services, Fujifilm Imaging Colorants, ILC Dover, Noramco, and PPG Architectural Coatings, have all received Blue Collar training funds as they look to elevate the skills of their workers and to also become more cost competitive.

## Health Sciences

During FY 07, DEDO hired a Health Sciences Market Leader with approval from the legislature. This is a new position created by the legislature in the FY 06 budget. This person is responsible for the creation and coordination of a statewide economic development cluster to focus on health care and allied health-related services, and the medical device and instrumentation industry in Delaware.

This initiative is well underway, with the completion of thorough research, using both primary and secondary data, the recruitment of industry leaders to serve on the Health Sciences Cluster, and the strategic planning to launch the first three formal meetings of the cluster. The Health Sciences Cluster launched these meetings in September 2007 and will compile a formal report of their recommendations by the end of the calendar year. Delaware State Chamber of Commerce celebrated the launch with an article in their Business Journal publication's September 2007 issue.

In an effort to maximize the opportunity for corporate and personal tax revenue, the Health Sciences Market Leader will target recruitment efforts toward for-profit ventures as a first priority. Such ventures would include increased clinical trials, suppliers and end users defined by the Health Sciences Cluster, and medical device/instrumentation companies that complement the current industry mix and can capitalize on Delaware's strong R&D capacity and

highly skilled workforce. Another significant recruitment effort will target foreign investments into Delaware Health Science start-ups and small businesses.

Recent DEDO retention and expansion efforts within the Health Sciences Cluster include financing investments at DadeBehring and St. Francis Hospital as well as workforce training investments at Dentsply Caulk and AstraZeneca. The market leader will focus on needs identified through the cluster meetings for future retention and expansion efforts to maximize Delaware's Health Science industry's contributions to our state's economy.

In Fiscal Year 2006, the Health Sciences Cluster represented 45,227 jobs within the State of Delaware and contributed more than \$3.1 billion to Delaware's GDP. Every job created or lost in the Health Science Cluster will cause the number of jobs indirectly affected industries to increase or decrease by 1.6 jobs.

The Health Sciences Cluster is unique in that, although the average wages are well above the targeted sustainable wage threshold, the majority of the jobs are within the not-for-profit arena. As an example, the Delaware Healthcare Association's recently released report "Community Benefit..." states that Delaware's not-for-profit hospitals employed a total of 20,278 people in fiscal year 2006 at an average salary of \$47,817 per year.

## Financial Services

The Financial Services Cluster continues to be a key component of Delaware's economic strength and growth. Delaware's pro-business legal and regulatory environment, strategic positioning, and landmark legislation has made that possible for more than two decades.

Morgan Stanley approved the spin-off of Discover Financial Services. DFS issues U.S. Discover Cards through DiscoverBank, which is a Delaware corporation. ING Direct and Barclaycard expanded with significant hiring activity in the first half of 2007. Citibank, JPMorgan Securities, HSBC and Commerce Bank also demonstrated significant growth in employment. The Bank of New York and Mellon Financial Corporation are in the process of a merger, which may result in the transfer of additional trust operations and other business units to the State.

Despite a reduction in employment resulting from the merger of MBNA and Bank of America, the Financial Services Cluster in Delaware showed a net 2 percent gain for the preceding 12-month period. Cluster employers will likely continue to show a net gain in the second half of 2007 and into 2008 as new product lines are introduced and additional market share is gained by Delaware based companies.

In FY 07, the State announced the opening of two new financial services companies. Headquartered in Wilmington, Swift Financial is a financial institution focused exclusively on the banking needs of small businesses. Executives from leading banking organizations such as MBNA, Bank of America, Citigroup, Chase, and Commerce Bank started Swift Financial. The company has 30 employees and is expected to double in employment before the end of 2007. Credit One Financial Solutions is a consumer lending business that delivers debt consolidation loans in the prime-credit market. The company currently employs more than 50 staff and is also expected to expand significantly in the coming year.

Recruitment of new companies continues to be a major focus of the Financial Services Cluster development activity. A significant effort has been undertaken to attract large international banking operations to the state. DEDO continues to support the leadership efforts of the Delaware Bankers Association and has been highly involved in raising the local, national and international profile of the Delaware Captive Insurance Association, representing the opportunity to be found in the formation of new captive companies in Delaware.

The economic performance of this cluster and volatility of the financial sector in the national marketplace relating to the sub prime market creates a challenging environment for growth.

## Tourism

The growth and expansion of tourism-related businesses in Delaware includes, but is not limited to, products, services, attractions, and large-scale events which will increase revenues for Delaware businesses and government, as well as increase visitor sales and visitation for Delaware. The objective will be to identify tourism business development needs in each of the three counties and to fulfill those needs with the attraction and/or creation of new tourism businesses. A key focus is businesses that support our niche markets (arts & culture, history & heritage, sports & gaming, outdoor recreation and dining & leisure). Industry targets will include sporting goods manufacturers and retail, destination retail, transportation companies, online travel distribution companies, sports and special events, and year-round family attractions. A large focus will be on recruiting events with national television exposure to showcase Delaware to business and leisure travelers. During fiscal year 2007 the tourism unit made significant strides in attracting large special events generating positive economic impact to the state. The tourism business recruitment strategy for fiscal year 2008 will focus on companies which support the tourism niche markets such as eco-tourism, heritage tourism, and sports and special events.

Delaware Events for fiscal year 2007:

1. U.S. Team Handball Open Championships  
(University of Delaware)
2. AAU District Track & Field Meet  
(Delaware State University)
3. AAU Regional Track & Field Meet  
(Delaware State University)
4. Breakaway Delaware Cycling Event

## DEDO's Centers of Excellence

### Capital Resources

DEDO has a dedicated team to support all of our industry clusters and to provide financial assistance, advice and review of viability through its Capital Resources Center, which will offer assistance in the full range of financial tools such as seed-stage equity investments, low interest loans, tax exempt bond financing, and performance, relocation and Brownfield development grants.

Capital resources available to qualified companies include the Delaware Strategic Fund, the Competitiveness Fund, the Venture Capital Investment and the Technology-based Seed Fund. In addition, Capital Resources also manages DEDA's tax exempt bond issues, the Clean Energy Center Partnership with the University of Delaware and Delaware State University, and the VOx and NOC emissions reduction credit bank. Voight & Schweitzer received from DEDO's emissions reduction credit bank a total of 3.5 credits of VOC Non-Ozone and 3.5 credits of NOX Non-Ozone to allow them to construct a galvanizing plant locating in a former Brownfield site in New Castle County.

Capital Resources specifically supports Delaware's small businesses through the Capital Access Program allowing small and minority businesses to obtain capital through an insurance program administered by the Capital Resources Center. During fiscal year 2007, Capital Resources helped fund technology-based businesses through a low-interest loan program. Other funding programs included loans for businesses that have suffered through extreme weather conditions, a quasi-equity investment program, and Small Business Innovative Research (SBIR) Bridge Grant program. During Fiscal Year 2007, three companies received a total of \$150,000 in SBIR grants. These companies include ANP Technologies, MIDI, Inc. and Accudyne Systems, Inc. Thirteen companies received funding through the Capital Access Program for a total of \$408,000. The smallest loan was \$10,000 and the largest loan amount was for \$100,000. Nine loans were made to women owned businesses of which four are minority. A total of five businesses were minority owned including the four women owned businesses.

Through the Delaware Strategic Fund, nine loans were awarded during Fiscal Year 2007 in the amount of \$5,872,000 of which \$5,675,000 was awarded in New Castle County and \$147,000 was awarded in Sussex County. Delaware Strategic Fund grants awarded included \$2,674,000 in New Castle County and \$347,620 in multi-county projects for a total of \$3,021,620. The total amount awarded from the Delaware Strategic Fund in Fiscal Year 2007 was \$8,893,620.

During Fiscal Year 2007, no Competitiveness Fund loans or grants were awarded.

DEDO launched the Technology-based Seed Fund program to foster high-wage, fast-growing small businesses in technology fields such as biotechnology, advanced materials, clean energy, information technology, and new chemical applications. The Technology-based Seed Fund during Fiscal Year 2007 awarded three projects of which \$100,000 was awarded in New Castle County and \$50,000 was awarded in Sussex County for a total of \$150,000. DEDA issued \$54,735,000 in Industrial Revenue Bonds during Fiscal Year 2007 of which \$34,000,000 were refundings and \$9,235,000 was issued in New Castle County, \$7,000,000 in Kent County and \$4,500,000 was issued in Sussex County.

The total amount awarded by DEDA in Fiscal Year 2007 was \$63,878,620.

DEDO expanded the partnership with Citizens Bank that was originally created in Fiscal Year 2004 to match key components of Governor Minner's New Economy Initiative including the Competitiveness Fund, Strategic Fund and the Technology-based Seed Fund programs. Citizens Bank has contributed an additional \$5 million above its Fiscal Year 2004 commitment of \$14.5 million and will match financial assistance awards from the Delaware Strategic Fund as well as the Competitiveness Fund and the Technology-based Seed Fund.

## Infrastructure and Intergovernmental Relations

During fiscal year 2007, the Infrastructure and Intergovernmental Relations unit assisted 37 companies (both existing and new) with site location needs. The total number of jobs impacted was 880 and resulted in combined corporate and state dollars invested totaling \$300 million.

During fiscal year 2007, the Infrastructure and Intergovernmental Relations unit presented one Brownfield project to be awarded by the Delaware Strategic Fund.



## Entrepreneurial and Small Business Support

During FY 2007, the Entrepreneurial and Small Business Center provided support for more than 329 businesses, representing expansion, retention and start-up projects. Of the 329 businesses assisted during FY 2007, 56 percent or 185 were minority and women-owned businesses. The Entrepreneurial and Small Business Support Center of Excellence is working on two projects directly in support of the Governor's New Economy Initiative. The Emerging Technology Center is moving forward. The prototype website, [www.delawareetc.org](http://www.delawareetc.org), has been developed and is live.

The Delaware Intellectual Property Business Creation Program holds great promise for the future of Delaware's diverse economic base. Multiple companies express interest in commercialization of intellectual property. The ETC and the IP Program were featured at the Early Stage East Venture Conference in Wilmington..

During 2007, Delaware Main Street continued to support and strengthen small businesses by offering targeted training programs and loan access opportunities by both state and local Main Street programs. Five Main Street towns reveal a combined gain of 18 new businesses and 29 new jobs.

Delaware Main Street continues to closely partner with USDA Rural Development. As a result of this partnership, during fiscal year 2007, Delaware Main Street delivered a comprehensive array of technical services focused on business recruitment and retention that was offered as a priority to all participating Delaware Main Street programs throughout FY 07, including Marketing and Promoting Main Street Communities, Creating Economic Opportunities for Main Street Communities, and Strategic Planning and Organizational Development. These seminars will also be offered to downtown communities in FY 08.

The Entrepreneurial and Small Business Support Center continues its support of Delaware by Hand, a non-profit corporation dedicated to showcasing the incredibly talented craftspeople living and working in Delaware. In less than one year 55 artisans have joined and membership continues to grow.

Delaware by Hand members have participated as featured guests in several successful events including the Middletown Main Street Summer Arts Series, HGTV's television show "That's Clever," "Old Dover Days, and a special "Members Day" event held at Studio 24 in Lewes, where more than 100 visitors came to see and meet the artists. Delaware by Hand: An Exhibition at the Biggs Museum of American Art will be a juried competition open to all DBH members and is being hosted by the Biggs Museum and partially underwritten by the Delaware Division of the Arts.

## Workforce Development Center

During FY 07, the Workforce Development Center signed 33 custom training contracts totaling nearly \$800,000 in all three counties, including 45% in New Castle County, 27% in Kent County and 27% in Sussex County. This benefited nearly 8,000 workers. Six companies, or 18% of all companies that participated, received DEDO's workforce training funds for the first time, and 33% of all participating companies were small businesses. The company match for this training was 3 to 1. Of training projects completed during FY 2007, 99% of the participants completed their training and earned an average salary of \$16.58 per hour.

Of the companies that completed training in FY 07 and submitted six month follow-up reports, all linked training goals to major company goals; 85% achieved intended results linked to company goals; and 86% of successful participant completers of training programs demonstrated skills learned from the training provided.

Delaware Poultry Industry Partnership (DPIP), Perdue Farms in Milford and Georgetown, Allen Family Foods, Mountaire of Delaware, and Mountaire of Delmarva all participated in this multi-company training contract. This program and partnership was designed to leverage our resources by partnering with companies that have similar needs. We developed one program rather than having multiple programs and eliminated thousands of dollars in development cost.

DEDO's workforce development staff partnered with the Governor's TANF Employers' Advisory Committee to plan and host the First Annual Governor's Recruitment, Retention & Resources Conference (known as the 3R Conference) held on October 4, 2006, at Delaware Technical & Community College, Terry Campus in Dover. The conference brought together Delaware employers and many of the free resources and tools available to them through public and private agencies to assist in recruiting and retaining qualified employees.

DEDO formed a partnership with PATS Aircraft, Dassault Falcon Jet, and Summit Aviation to develop a recruitment plan for the aviation industry to assist them in obtaining qualified skilled employees.

Workforce also supported the Tourism Market Leader by spearheading development of a workforce subcommittee for the Tourism Strategic Plan Committee.

Delaware joined with Pennsylvania and New Jersey to create the Delaware Valley Innovation Network (DVIN). According to an April DEDO e-newsletter, DVIN "brings together government, industry, education, and economic and workforce development to strengthen and grow the tri-state region's vibrant life-sciences industry and workforce." After an initial WIRED grant in FY 06, DVIN has been awarded two major grants. One is \$5.1 million from a U.S. Department of Labor program: Workforce Innovation



Regional Economic Development. The other grant is a \$1.5 million Advanced Manufacturing grant to foster education that can deliver the workforce needed by life-sciences firms.

## Industry Research and Analysis Center

During FY 07, this center provided expert data and analysis for customized proposals for potential company recruitment and expansion to Delaware.

The Industry Research and Analysis Center undertook 506 research projects. A total of 165 were requests from DEDO's external clients, while 341 were received internally. These included identifying emerging clusters, gathering relevant data, and preparing analysis and detailed reports on the plastics industry and the photonics industry for possible attraction of businesses that specialize in these sectors of the economy to relocate to Delaware.

The industry research and analysis unit conducted economic impact analyses for 30 projects. These projects included the economic impact of New Castle County Military Base Realignment and the impact of NASCAR weekends on the state's economy.

Each quarter, the Research Center conducts the ACCRA (formerly "American Chamber of Commerce Researchers Association") cost of living index for Kent, New Castle and Sussex Counties. This index consists of pricing items in each location such as housing, utilities, healthcare, groceries, and miscellaneous items to obtain a composite index (average is 100.0). This information is "priced" quarterly, given to ACCRA, and, in appreciation for this work, ACCRA provides cost-free data on all other states and Metropolitan Statistical Areas. This data is used to compare the cost of living in Delaware and other locations across the USA. This cost of living comparison is an important factor in supporting the recruitment and relocation efforts by the clusters and other centers of excellence.

At the end of each calendar year, the Research Center prepares a Property Tax Report for Delaware. This report is a summarization of each county and municipality's taxes for unincorporated and incorporated areas. This report is placed on DEDO's website and given to constituents by request, and for internal comparison purposes.

In addition, the Center is developing systems to increase its efficiencies and the services it provides. This includes an internal dataset to help track demographic and employment trends; a database of most commonly requested data and a related website; and a web-based customized survey system to collect key data.

## Research and Analysis Accomplishments:

*Prepared a detailed analysis of the workforce commuting patterns in and out of state, an estimation of industry location quotients, and mapping the inflow and outflow of workers by industry, county, and state.*

*Carried out a detailed analysis of the economic impact of the health sciences cluster. Also identified major employers within the cluster, and prepared an analysis of GDP contribution and multiplier effect using IMPLAN software.*

*Prepared an analysis for distribution of workforce by location and developed an overview of placement after graduation based on a college/universities survey.*

*Developed and provided mapping of financial company locations for companies included in the financial services cluster.*

*Researched and prepared an analysis of the correlation between variables that define trends in the economy and indicators of market performance. This report was well received by the media and internal leadership.*

*Prepared a detailed report with a comprehensive analysis titled Delaware Profit Opportunities for Manufacturers of Plastics Products, identifying Delaware's locational advantages in terms of costs and business climate relative to competing states.*

*Prepared an analysis of Delaware's emerging companies in non-cluster industries.*

In January 2007, the center completed an extensive questionnaire for fDi magazine, a subsidiary of the Financial Times of London, which subsequently (on April 24, 2007) ranked Wilmington among the Top 10 "North American Cities of the Future," receiving honors for Most Business Friendly (1st), Best Human Resources (1st), Best Quality of Life (4th), and Business Friendly (5th).

In September 2006, completed the Delaware Visitor Profile which consists of tourism data purchased from TIA for Delaware and each county. The data includes statistics on visitor volume, trip characteristics and demographics. The report is placed on DEDO's website and given to the tourism industry by request. This detailed report supports the efforts of the tourism cluster and the tourism industry in identify trends and developments that impact tourism in Delaware. The center worked collaboratively with the Infrastructure Center to complete two extensive Requests for Information from relocation consultants seeking to attract new businesses to Delaware.

## Administration Unit

The Administration Unit oversees information technology, human resources and fiscal operations, and provides fulfillment activities for the office. It ensures that the agency follows state laws, policies, regulations and procedures set forth by legislature and state agencies.

During Fiscal Year 2007, the Administration Unit made significant gains in enhancing internal operations. The major work accomplished in FY '07 includes the preparation and introduction of internal budgets for use in the four primary DEDO units. For the first time, these units received a prepared budget which outlines appropriations in terms of object codes and amounts. The budgets will help each unit director to better manage the operational funds we are appropriated by utilizing a system of priorities, measurements and return on investment.

In FY '07, the Administration Unit increased DEDO staffing rate from 70% to 87%. The unit conducted a business case that enabled the installation of a new state-of-the-art telephone system in early FY '08. We also conducted an organizational assessment which revealed six (6) opportunities for DEDO to enhance internal and external operations. In FY '08, DEDO will conduct a post assessment to measure progress.

During FY'07, the Administration Unit also completed a number of needed building repairs and enhancements.

## Marketing and Communications Unit

In FY 2007, the Marketing and Communications Unit initiated new projects with an added focus on innovation. In FY 08 and beyond, the unit will add greater ingenuity to these projects, while executing an innovative, proactive marketing strategy with the completion of the first ever DEDO-wide Marketing Plan.

The e-Newsletter, launched in December 2006, keeps key stakeholders up-to-date about new programs, announcements and happenings at DEDO. Improvements to the DEDO web site, [www.dedo.delaware.gov](http://www.dedo.delaware.gov), is generating steady increases in visitation to the site. The new tourism web site, [www.visitdelaware.com](http://www.visitdelaware.com), features the latest technologies with a contemporary design to produce an excellent marketing tool for the State. In FY 08, the unit will add new functionality to these technologies, including audio clips and streaming video. The unit will also completely redesign the DEDO web site.

Media opportunities to market and increase awareness about DEDO/DTO initiatives are one of many focuses of the Marketing and Communications Unit. Earned media yielded a value of more than \$3.5 million in FY07 with positive coverage in both online and print including

BlackEnterprise.com, Delta's Sky magazine, Entrepreneur magazine, the Philadelphia Inquirer and USAToday, just to name a few. For FY 08, the unit plans to increase earned media value by \$1.2 million.

The Marketing and Communications Unit produced Delaware's first tourism television commercial with a spending authority of \$500,000 for FY 07. It aired in 12 media markets from Toronto, Canada to Atlanta, Georgia. The unit will continue to place advertising buys on regional stations through next year. The unit will also maximize the ad budget with a full media mix, including television, radio, print, billboards, and non-traditional media.





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